

**LOUISIANA PILOTAGE FEE COMMISSION****FINANCIAL STATEMENTS  
AND  
REPORT ON APPLYING AGREED-UPON PROCEDURES**

June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

# LOUISIANA PILOTAGE FEE COMMISSION

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information has been presented to provide an overview of the Commission's operations.

#### Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

See Accountants' Review Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS

A summary of the basic government-wide financial statements is as follows:

### Summary of Statement of Net Assets

#### ASSETS

Current assets	
Cash and cash equivalents	\$ 511,157
Accounts receivable	26,550
Total current assets	<u>537,707</u>
Property and equipment, at cost less accumulated depreciation	<u>2,868</u>
Total assets	<u><u>\$ 540,575</u></u>

#### LIABILITIES

Current liabilities	
Accounts payable	\$ 3,393
Total current liabilities	<u>3,393</u>
Compensated absences payable	<u>12,057</u>
Total liabilities	<u><u>15,450</u></u>

#### EQUITY

Fund balance - unreserved and undesignated	<u>525,125</u>
Total equity	<u><u>525,125</u></u>
Total liabilities and equity	<u><u>\$ 540,575</u></u>

See Accountants' Review Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Summary of Statement of Activities

Revenues - self generated	\$ 376,960
Expenditures	
Accounting	8,194
Advertising and promotion	66
Auto expense	16,324
Bank charges	45
Computer Support	1,807
Depreciation	445
Dues and subscriptions	159
Hearing expense	30,993
Insurance	961
Legal	18,028
Meals and entertainment	573
Medical	26,016
Miscellaneous	760
Office expense	4,546
Payroll taxes and services	5,515
Per diem	3,000
Postage	301
Printing	933
Rent	11,351
Salaries	141,242
Taxes	595
Telephone	5,450
Travel	2,211
Total expenditures	<u>279,515</u>
Operating profit	<u>97,445</u>
Other income	
Interest income	<u>1,228</u>
Excess of revenues over expenditures	98,673
Fund balance - beginning of year	<u>426,452</u>
Fund balance - end of year	<u>\$ 525,125</u>

> This Commission's current assets exceeded its current liabilities by \$534,314 for the current year.

> For the year ended June 30, 2009, unrestricted net assets of \$525,125 represents the portion available to maintain the Commission's obligation to both citizens and creditors.

See Accountants' Review Report

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### General Fund Budgetary Highlights

The actual revenues were \$12,740 less than the budgeted amount for the year and expenses were \$17,745 lower than the budgeted amount for the year.

### Economic Factors and Next Year's Budget

The primary revenue source for the Commission is a surcharge imposed on each vessel entering and departing from the Mississippi and Calcasieu Rivers. The General Fund budget for fiscal year 2009/2010 should not change significantly over the prior year.

### Contacting the Commission

*This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at Two United Plaza, Suite 14, Baton Rouge, Louisiana 70809.*

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ROBERT D. WATKINS  
EDWARD G. BERGUESSE, JR.  
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET  
LISA D. ENBLADE  
KERNEY F. CRAFT, JR.

## ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners of  
Louisiana Pilotage Fee Commission  
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of governmental activities and each major fund of the Louisiana Pilotage Fee Commission as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. All information included in these financial statements is the representation of management of the Commission.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 21, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Louisiana Audit Guide* and the provisions of the state law, we have issued a report, dated October 2, 2009, on the results of our agreed-upon procedures.

October 2, 2009

*Wegmann Dazet & Company*

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## BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LOUISIANA PILOTAGE FEE COMMISSION  
STATEMENT OF NET ASSETS

June 30, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 511,157
Accounts receivable	<u>26,550</u>
Total current assets	<u>537,707</u>
Property and equipment, at cost less accumulated depreciation	<u>2,868</u>
Total assets	<u><u>\$ 540,575</u></u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 3,393
Total current liabilities	<u>3,393</u>
Compensated absences payable	<u>12,057</u>
Total liabilities	<u>15,450</u>
<b>NET ASSETS</b>	
Unrestricted	<u>525,125</u>
Total net assets	<u>525,125</u>
Total liabilities and net assets	<u><u>\$ 540,575</u></u>

See Accountants' Review Report and accompanying Notes to Financial Statements.

LOUISIANA PILOTAGE FEE COMMISSION  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Activities	Expenses	Program Revenues		Net (Expenses), Revenues and Changes in Net Assets - Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 279,515	\$ -	\$ -	\$ (279,515)
Total governmental activities	<u>\$ 279,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279,515)</u>
General revenues:				
Self-generated				\$ 376,960
Interest income				<u>1,228</u>
Total general revenues:				<u>378,188</u>
Change in net assets				98,673
Net assets June 30, 2008				<u>426,452</u>
Net assets June 30, 2009				<u>\$ 525,125</u>

See Accountants' Review Report and accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

LOUISIANA PILOTAGE FEE COMMISSION  
BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2009

	<u>General Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 511,157
Accounts receivable	<u>26,550</u>
Total current assets	<u>537,707</u>
Property and equipment, at cost less accumulated depreciation	<u>2,868</u>
Total assets	<u>\$ 540,575</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 3,393
Total current liabilities	<u>3,393</u>
Compensated absences payable	<u>12,057</u>
Total liabilities	<u>15,450</u>
FUND BALANCE	
Fund balance - unreserved and undesignated	<u>525,125</u>
Total fund balance	<u>525,125</u>
Total liabilities and fund balance	<u>\$ 540,575</u>

See Accountants' Review Report and accompanying Notes to the Financial Statements.

LOUISIANA PILOTAGE FEE COMMISSION  
RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2009

Total fund balance for the governmental funds at June 30, 2009	\$ 525,125
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term assets at June 30, 2009	
Compensated absences payable	<u>(12,057)</u>
Total net assets of governmental activities	<u>\$ 513,068</u>

See Accountants' Review Report and accompanying Notes to Financial Statements.

LOUISIANA PILOTAGE FEE COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND

For the Year Ended June 30, 2009

	<u>General Fund</u>
Revenues - self-generated	\$ 376,960
Expenditures	
General government:	
Accounting	8,194
Advertising and promotion	66
Auto expense	16,324
Bank charges	45
Computer Support	1,807
Depreciation	445
Dues and subscriptions	159
Hearing expense	30,993
Insurance	961
Legal	18,028
Meals and entertainment	573
Medical	26,016
Miscellaneous	760
Office supplies	4,546
Payroll services	5,515
Per diem	3,000
Postage	301
Printing	933
Rent	11,351
Salaries	141,242
Taxes	595
Telephone	5,450
Travel	2,211
Total expenditures	<u>279,515</u>
Operating profit	<u>97,445</u>
Other income	
Interest income	<u>1,228</u>
Excess of revenues over expenditures	98,673
Fund balance - beginning of year	<u>426,452</u>
Fund balance - end of year	<u><u>\$ 525,125</u></u>

See Accountants' Review Report and accompanying Notes to the Financial Statements.

LOUISIANA PILOTAGE FEE COMMISSION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Total net change in fund balance at June 30, 2009, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 98,673
The change in net assets reported for governmental activities in the Statement of Activities is different because:	
Compensated absences increase in current year	<u>(4,610)</u>
Change in net assets of governmental activities	<u>\$ 94,063</u>

See Accountants' Review Report and accompanying Notes to the Financial Statements.



NOTES TO FINANCIAL STATEMENTS

LOUISIANA PILOTAGE FEE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Introduction:

The Louisiana Pilotage Fee Commission (the "Commission") was created by Act No. 902 of the Louisiana 2004 Regular Session of the Legislature, effective January 1, 2005, to establish pilotage fees. The Commission consist of eleven members and seven alternates appointed by the governor as follows:

- i. Four members and four alternatives to represent the industry.
- ii. Four members and three alternatives to represent the associations all designated by the board of directors of the four pilot associations.
- iii. Three at-large members.

Appointees shall be residents of the state of Louisiana and shall serve terms concurrent with that of the governor appointing them. All appointments are subject to confirmation by the Senate.

1) Summary of significant accounting principles

a) Reporting Entity

The Commission, for financial purposes, includes all of the funds relevant to the operations of the Commission. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Louisiana Pilotage Fee Commission.

The Louisiana Pilotage Fee Commission is a primary government and not a component unit or agency of the state government for financial reporting purposes.

b) Basis of presentation

- i. Government-wide financial statements (GWFS) – The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods and services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

- ii. Fund financial statements – The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

LOUISIANA PILOTAGE FEE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

1) Summary of significant accounting principles (continued)

The Commission maintains one fund, the general fund. It is categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds. The general fund is considered major because it's the primary operating fund of the entity. It is used to account for all financial resources except those required to be accounted for in another fund.

c) Measurement focus/basis of accounting

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

- i. Accrual basis – Governmental-Wide Financial Statements (GWFS) – The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place
- ii. Modified accrual basis – Fund Financial Statements (FFS) – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Commission considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

d) Assets, liabilities and equity

- i. Cash and cash equivalents – All cash-related items having maturity dates of three months or less from the original maturity date are classified as cash and cash equivalents.
- ii. Capital assets – Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The Commission had net capital assets of \$2,868 as of June 30, 2009.

See Accountants' Review Report

LOUISIANA PILOTAGE FEE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

1) Summary of significant accounting principles (continued)

iii. Equity classification – In the government-wide statements, equity is classified as net assets and displayed in three components:

- (1) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

d) Assets, liabilities and equity (continued)

- (2) Restricted net assets – Consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

e) Budget

Prior to the start of the fiscal year, the Attorney General determined that the Local Government Budget Act is not applicable to the Commission. The Commission is currently working with the Commissioner of Administration to set budgetary guidelines specific for the Louisiana Pilotage Fee Commission.

f) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g) Property and equipment

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for significant property and equipment categories are as follows:

Computer equipment	5 years
Furniture and fixtures	7 years

See Accountants' Review Report

LOUISIANA PILOTAGE FEE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

2) Cash and cash equivalents

At June 30, 2009, the Louisiana Pilotage Fee Commission had cash and cash equivalents totaling \$514,149 (collected bank balance). Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The following is a summary of deposit balances (bank balances) at June 30, 2009:

	<u>Cash</u>
Collected bank balances	<u>\$514,149</u>
Insured by FDIC	\$514,149
Insured by Pledged Securities	<u>-0-</u>
Uninsured balances	<u>\$ -0-</u>

3) Compensated absences

Employees earn and accumulate sick leave at various rates depending on their years of service. The amount of sick leave that may be accumulated by each employee is unlimited. The liability for unused sick leave payable at June 30, 2009 is estimated to be \$12,057. This amount is considered to be all long-term and is recorded in the government-wide financial statements.

4) Property and equipment

Property and equipment are stated at cost and consist of the following:

	<u>2008</u>
Furniture and fixtures	\$1,183
Computer equipment	<u>2,516</u>
	3,699
Less: accumulated depreciation	<u>(831)</u>
Total property and equipment, net	<u>\$2,868</u>

Depreciation expense charged to operations was \$445 in 2009.

5) Lease commitments

The Commission leases office space under a lease classified as an operating lease that expires on July 1, 2009. Rental expense for this operating lease totaled \$11,351 in 2008. Future minimum rental payments required under the operating lease agreement for 2009 total \$919.

6) Pending litigation

There were no civil suits seeking damages against the Commission outstanding at June 30, 2009.

7) Related Party Transactions

The Commission had no identified related party transactions for the year ended June 30, 2009.

See Accountants' Review Report

OTHER REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA PILOTAGE FEE COMMISSION  
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2009

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues - self generated	\$ 389,700	\$ 389,700	\$ 376,960	\$ (12,740)
Expenditures:				
Salaries & related costs	145,000	145,000	146,757	(1,757)
Operating expenses	60,260	60,260	69,399	(9,139)
Professional services	67,000	67,000	26,222	40,778
Other charges	25,000	25,000	37,137	(12,137)
Total expenditures	\$ 297,260	\$ 297,260	\$ 279,515	\$ 17,745

See Accountants' Review Report

## SUPPLEMENTARY INFORMATION



LOUISIANA PILOTAGE FEE COMMISSION  
SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS  
For the Year Ended June 30, 2009

<u>Name</u>	<u>Amount</u>
Alfred Lippman	\$ 1,200
Ann Trappey	1,050
Joe Spearman	<u>750</u>
	<u>\$ 3,000</u>

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WEGMANN DAZET & COMPANY

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of  
Louisiana Pilotage Fee Commission

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Louisiana Pilotage Fee Commission, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Louisiana Pilotage Fee Commission's compliance with certain laws and regulations during the year ended June 30, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our applied procedures, together with any findings, follow:

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
  - Our review of expenditure totals and the detail general ledger revealed no individual expenditure for materials and supplies exceeding \$20,000 and no individual expenditure for public works exceeding \$100,000.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.
3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
  - We received confirmation from each board member that no family members were employed by the Commission. We obtained a listing of all employees of the Louisiana Pilotage Fee Commission paid during the period and determined that there were no immediate family members serving on the board.

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### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.
  - Copy of the budget was obtained, there were no amendments.
6. Trace the budget adoption and amendments to the minute book.
  - Budget adoption traced to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more. (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less, and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds-from the requirement to amend revenues.)
  - Actual revenues were within budgeted revenues by less than 5% variance. Total actual expenditures were less than budgeted expenditures.

### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.
  - We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received proper approval.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).
  - Management asserted that such documents were properly posted.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.
  - We scanned bank deposits and the detailed general ledger for the period under review and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

- We scanned payroll records and minutes for the period under review and noted no payments, which appear to be bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Management of Louisiana Pilotage Fee Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 2, 2009

*Wegman Day & Company*

### LOUISIANA ATTESTATION QUESTIONNAIRE

Wegmann Dazet & Company  
111 Veterans Boulevard, Suite 800  
Metairie, Louisiana 70005

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations. These representations are based on the information available to us as of December 14, 2007.

#### Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X No     

#### Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No     

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes X No     

#### Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes      No      N/A X

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes X No     

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes X No     

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No     

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X No     

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes X No     


**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes X No     

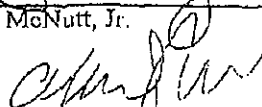
We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance, which may occur subsequent to the issuance of your report.

  
Larry McNutt, Jr.

Administrator October 2, 2009

Date

  
Alfred S. Lippman

Chairman October 2, 2009

Date

LOUISIANA PILOTAGE FEE COMMISSION  
MANAGEMENTS' CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
For the Year Ended June 30, 2009

We have reviewed the general-purpose financial statements of Louisiana Pilotage Fee Commission as of and for the year ended June 30, 2009, and have issued our report thereon dated October 2, 2009. We conducted our review in accordance with Statements on Standards for Accounting and Review Services, issued by the American Institute of Certified Public Accountants.

Section I – Management Letter

None issued.